

REFERENCE TITLE: income tax returns; penalties

State of Arizona
Senate
Forty-ninth Legislature
First Regular Session
2009

SB 1373

Introduced by
Senators Gorman: Gould, Gray L, Harper, Paton

AN ACT

AMENDING SECTION 42-1107, ARIZONA REVISED STATUTES; RELATING TO INCOME TAX RETURNS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 42-1107, Arizona Revised Statutes, is amended to
3 read:

4 42-1107. Extension of time for filing returns

5 A. The department ~~may~~, pursuant to administrative rule, ~~MAY~~ grant an
6 automatic extension of time for filing an income tax return under title 43 if
7 at least ninety per cent of the tax liability disclosed by the taxpayer's
8 return for the reporting period is paid and if the request for extension is
9 received or mailed on or before the date the return is otherwise due to be
10 filed. If at least ninety per cent of the tax liability disclosed by the
11 taxpayer's return for the reporting period has not been paid at the time of
12 filing for the extension, the taxpayer is subject to a penalty of one-half of
13 one per cent of the tax not paid for each thirty day period or fraction of a
14 thirty day period elapsing between the date the return is otherwise due to be
15 filed and the date the tax is paid, not to exceed a total of twenty-five per
16 cent. ~~If a taxpayer is subject to both of the penalties prescribed under~~
~~this section and section 42-1125, the maximum combined penalty that may be~~
~~imposed on the taxpayer under both sections shall not exceed twenty-five per~~
~~cent of the tax found to be remaining due.~~ A TAXPAYER IS NOT SUBJECT TO THE
17 PENALTIES PRESCRIBED UNDER THIS SECTION IF THE TAXPAYER IS SUBJECT TO THE
18 PENALTIES PRESCRIBED UNDER SECTION 42-1125. If in its judgment good cause
19 exists, the department may grant a further extension or extensions of time
20 for filing the return pursuant to administrative rule. No extension or
21 extensions granted under this subsection may aggregate more than six months
22 from the due date provided for the filing of returns.

23 B. If the taxpayer has been granted an extension or extensions of time
24 within which to file a federal income tax return for any taxable year, the
25 taxpayer is deemed to have been granted the same extension of time for filing
26 the Arizona income tax return if the taxpayer has paid at least ninety per
27 cent of the tax liability disclosed by the taxpayer's return for the
28 reporting period. If at the time the taxpayer has been granted a federal
29 extension or extensions the taxpayer is required to make the payment of at
30 least ninety per cent under this section, the payment shall be in a manner
31 prescribed by the department.

32 C. The department, for good cause, may grant a reasonable extension of
33 time for filing an Arizona estate tax return. A request for extension shall
34 be in a form prescribed by the department.

35 D. The department, for good cause, may extend the time for making any
36 other return required by chapter 5, articles 1, 4 and 5 of this title, and
37 may grant such reasonable additional time in which to make the return as it
38 deems proper, but the time for filing the return shall not be extended beyond
39 the first day of the third month next succeeding the regular due date of the
40 return.